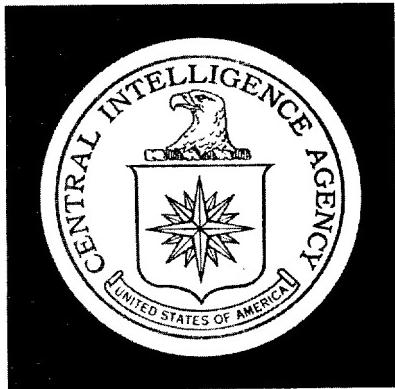


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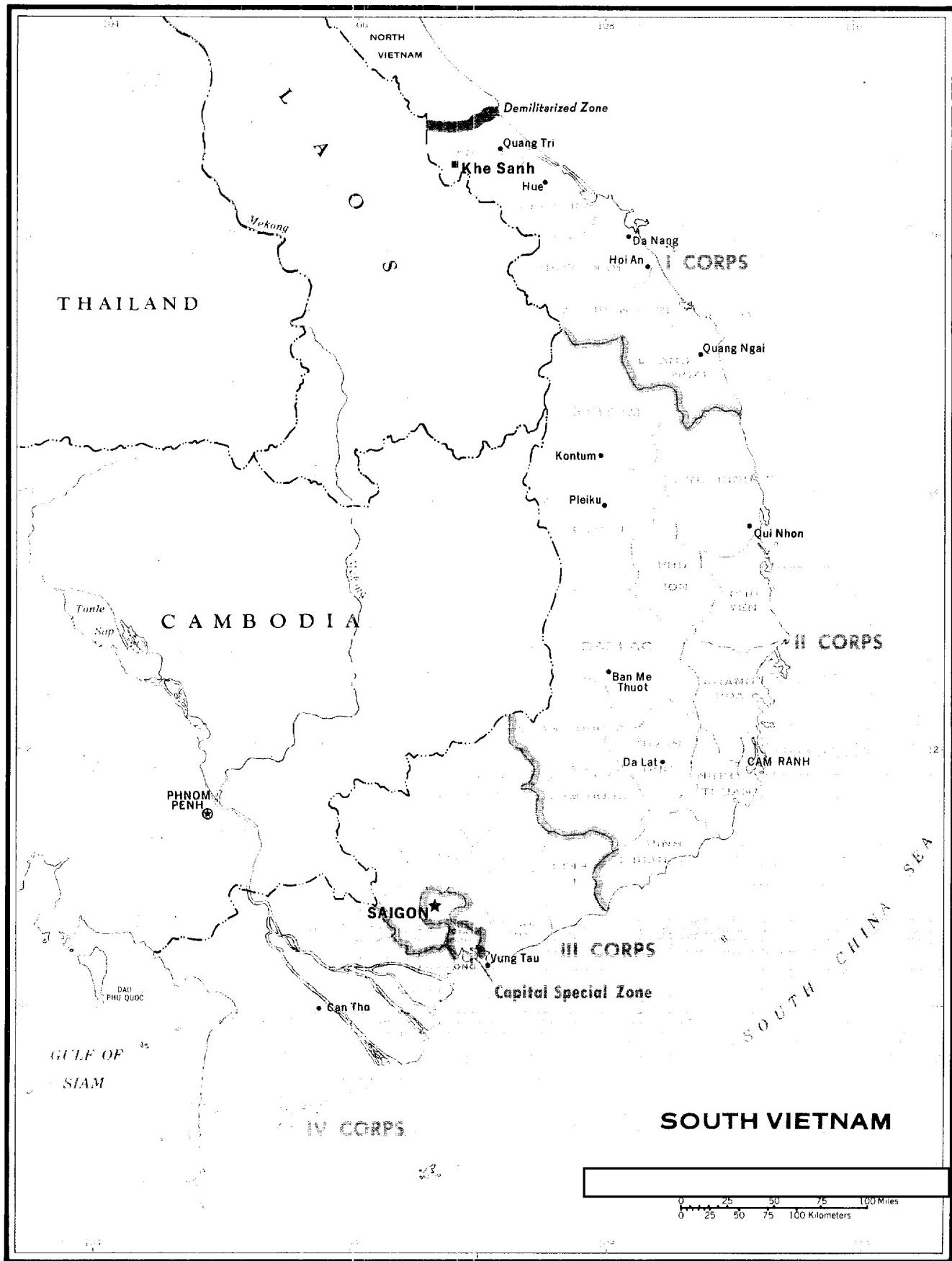
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[Vietnam: The Communists resumed shelling downtown Saigon and US Marines repulsed a large-scale enemy attack near Khe Sanh over the weekend.

After a three-day respite, some 42 rounds of mortar fire and several rounds of rocket fire were directed on the capital city on 15 and 16 June. A police station and the principal dock area were the apparent targets. No contact with enemy units in Saigon proper was reported, although scattered skirmishes took place in several peripheral areas.

Nearly 200 North Vietnamese were killed during a four-hour battle south of Khe Sanh when an enemy force shelled and attempted to overrun a US Marine field position. Prisoners taken during the encounter identified their parent unit as a subordinate of the 88th Regiment of the North Vietnamese 308th Division. This further substantiates previous reports of the presence of at least elements of this division in South Vietnam.

The North Vietnamese apparently have deployed a substantial number of helicopters into the eastern Demilitarized Zone area. Rockets fired from helicopters sank a small US naval patrol craft just off the DMZ coast on the night of 15-16 January, and US forces report downing up to six helicopters in subsequent weekend actions. An enemy jet fighter reportedly took part in one battle. [redacted]

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East-West Germany: West German leaders continue to seek ways to counter the East German restrictions on access to West Berlin.

An official spokesman has publicly acknowledged that Bonn is considering a visit by Chancellor Kiesinger to Washington. Foreign Minister Brandt, speaking at a West Berlin press conference, termed the access restrictions "a threat and a burden to Berlin" and said they must be met with "more than protests and the mere appearance of activity."

Meanwhile, Allied and West German consultations are under way in Bonn on measures that can be taken against East Germany. A working-level proposal to restrict East German travel to NATO countries has been produced. A West German task force is considering the possibility of retaliation through the East-West German trade channel. The federal cabinet is scheduled to meet today to discuss additional economic aid to West Berlin, and the Bundestag is expected to debate the Berlin access situation on 20 June.

As the West Germans move toward formulating their response, differences between the two government parties have become evident. Kiesinger's Christian Democratic Union (CDU) apparently has opted for a firm stance in the face of East German pressure and has expressed confidence that "adequate and appropriate" countermeasures can be worked out in cooperation with the Allies. Brandt's Social Democratic Party has placed more emphasis on the need to shore up the West Berlin economy than on countermeasures and has been somewhat critical of alleged Allied laxity. The US Embassy in Bonn believes that the public mood leans toward the CDU position.

The East German Foreign Ministry continues to protest against morale-boosting visits to Berlin of high-level Bonn officials such as Brandt, which it

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terms illegal and provocative. The East Germans seem concerned about officially sponsored "unity day" demonstrations in West Berlin today. All-German Affairs Minister Wehner will lead ceremonies commemorating the East German uprising in 1953.

Soviet ambassadors, reacting to protests voiced by Allied foreign ministers, have been uniform in their insistence that Allied rights have not been violated, that any problems are between West Germany and East Germany, and that in any case the East Germans have a right to regulate traffic of foreigners on their territory. One ambassador pointed out that no four-power agreements contain specific provisions about regulating the movement of goods and travelers in Germany, and all implied that such traffic will not be cut off if the new regulations are observed.

Official Soviet press articles continue to offer support for the East German moves, but fall short of committing the USSR to any course of action. The Soviets seem to be awaiting Western countermoves.

Czechoslovakia's foreign minister is due to arrive in East Berlin today, presumably to discuss the East German measures, about which Prague appears to have some reservations.

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Czechoslovakia: Prague has taken two significant steps that probably will rekindle Soviet suspicions about the aims of the Dubcek regime.

On 15 June the Czechoslovaks renewed a treaty of friendship, cooperation, and mutual assistance with the Hungarians reaffirming their commitments to the Communist world. In contrast with similar accords signed recently by other Eastern European states, however, the new treaty is remarkably free of polemics against the West, and leaves the way open for eventual establishment of relations with West Germany. In addition, the fact that the party first secretaries unprecedentedly did not sign the document will tend to play down its political importance. Moscow Radio's initial commentary ignored these latter aspects.

Speaking in Budapest, Czechoslovak Premier Cernik cited the "growth of neofascist forces in the Federal Republic despite endeavors by realistic circles there," but stressed that the new treaty was not directed against any state. The premier implied, however, that Czechoslovakia would not recognize Bonn diplomatically until West Germany acknowledged the existence of East Germany and guaranteed existing borders. He was echoed by party chief Dubcek, who urged a "realistic arrangement" between the two Germanies but added that it was in Czechoslovakia's interest to "normalize" relations with the Federal Republic.

Immediately upon his return from Budapest Dubcek participated in the signing of an agreement between the Communist and other parties of the National Front expressing "the concept of a plural political system" and confirming "the absolute departure from the monopoly of political power" until recently held by the Communists.

The Communist Party will retain its "leading role," but members of the front will participate in the drafting of policies, as well as in their implementation, casting off the traditional Communist

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view of the front as a "transmission belt" from the party leadership to the people. Within the vague concept of "socialism," front members will be allowed to formulate their own programs according to their separate needs and requirements.

The Soviets are sure to regard this as a serious deviation from Marxism as they preach it, and had earlier objected to the concept. So far there has been no commentary from Moscow on this agreement.

Press polemics between the two countries continue, with unofficial Czechoslovak newpapers responding heatedly to a recent Soviet attack on one of the party's liberal leaders. The Soviets in turn may respond to a Prague radiobroadcast on 14 June commemorating the expulsion of Yugoslavia from the Cominform, and making an invidious comparison with Czechoslovakia's situation today.

In the meantime, the Soviet Defense Ministry announced on 12 June in its newspaper, Red Star, that Marshal Yakubovsky, the commander in chief of Warsaw Pact forces, would command pact exercises to be held "soon" in Poland and Czechoslovakia. A Warsaw Pact command-staff exercise on the territories of the two countries is expected to begin early this week.

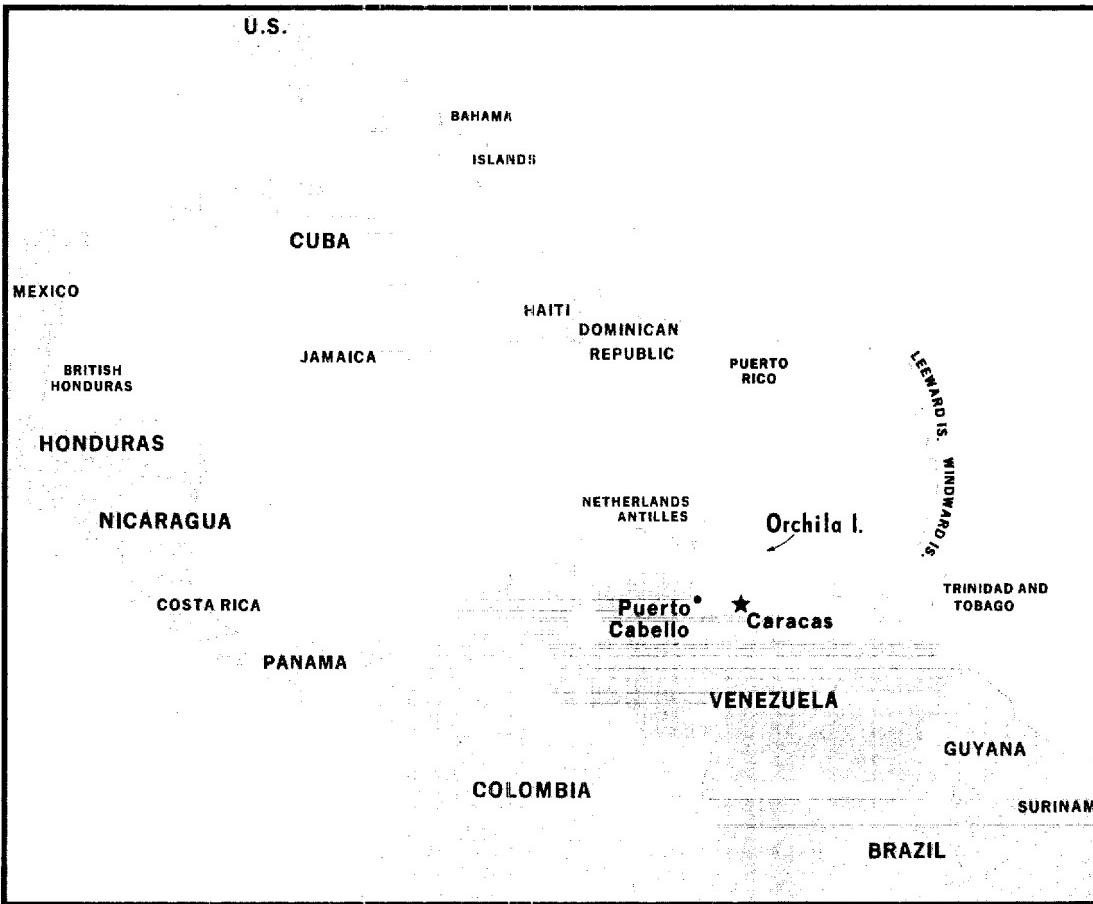
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Soviet Vessel Seized Near Orchila Island



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Venezuela-USSR: Venezuela's seizure of a Soviet vessel may impair current efforts to improve Soviet-Venezuelan relations.

The tug Gromovoy, with a crane in tow, was en route from the Black Sea to Siberia via the Panama Canal on 14 June when it was stopped off Orchila Island by Venezuelan naval units and ordered to proceed to a Venezuelan port. On 15 June the tug was boarded and taken into Puerto Cabello.

Venezuela has been showing interest in improving relations with the Soviet Union and Eastern Europe. A large delegation from Venezuela currently is touring the area exploring new trade possibilities.

The Venezuelan military are predisposed to react strongly to any encroachment of territorial waters in view of past guerrilla landings and reports that a new landing is imminent.

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Tanzania - Communist China: President Nyerere's second state visit to Peking probably will yield additional economic and military aid for Tanzania as well as even closer ties.

Nyerere will almost certainly receive a red-carpet reception from the Chinese as a result of Tanzania's "no" vote on the nuclear nonproliferation treaty at the UN last week. The visit beginning on 18 June, like the first in February 1965, follows the signing of important aid agreements. Within the past two months the two governments have concluded five protocols relating to the construction of the Tan-Zam railroad and an agreement providing for 80 Chinese medics to be assigned throughout rural Tanzania.

The favorable impressions of Chinese frugality and self-reliance Nyerere gained on his earlier trip influenced his subsequent approach to Tanzania's ideological and economic development. He signed only a treaty of friendship on that occasion but his discussions with the Chinese concerning the railroad, training and materiel for elements of Tanzania's security forces, and military aid for southern African liberation movements led to later assistance in these fields. The composition of the current delegation suggests continuing talks on these topics. In addition the Tanzanians are known to be seeking jet fighters for their fledgling air force.

Nyerere may also request Chinese personnel to replace many of the British civil servants in the Tanzanian Government. An impasse over the payment of pensions to retired colonial civil servants will probably lead to a withdrawal of UK aid and open several hundred important positions in the civil service.

From China Nyerere will go to North Korea for a two-day visit beginning on 22 June. Pyongyang has a very modest trade and aid program with Tanzania.
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Philippines-Malaysia: Prospects appear dim for the success of talks between the two countries opening in Bangkok today.

The two sides have agreed to meet on the Philippine claim to Malaysia's North Borneo state of Sabah. The Philippine delegation, however, is weighted with militants. The Malaysians, for their part, intend to take a firm position, are unwilling to yield any territory, and are expected to reject both international adjudication and a plebiscite in Sabah.

Although fruitful talks are unlikely, there has been an apparent lessening in Philippine congressional preoccupation with the Sabah claim. President Marcos' opponents in Congress appear to believe they have milked for the time being all they can from attacks on him over inept handling of plans for infiltration of Sabah. Marcos, weary from fending off attacks at home, is said to have no stomach for prolonged pressuring of Malaysia.

A Malaysian Foreign Ministry official believes that both sides would like to find a face-saving formula, but hard liners have thus far blocked any softening of either government's position. [redacted]

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Korea-Singapore: A North Korean "goodwill" mission to Singapore beginning on 21 June will be the first visit to independent Singapore by a high-level Asian Communist delegation.

Although Singapore is unlikely to establish diplomatic relations with Pyongyang, it undoubtedly views the visit under the leadership of a vice president of North Korea's presidium as adding to its image as a nonaligned country. In addition it may use the visit to press South Korea for greater concessions in current trade talks. South Korea's efforts to conclude a trade agreement and to gain official status for its trade office in Singapore are stymied over Singapore's requirements that South Korea increase its imports proportionately with its exports to Singapore.

Pyongyang, which has a trade office in Singapore with official status, has agreed to purchase Singapore products to the amount of 100 percent of its exports to Singapore.

Singapore's trade with both Koreas is small. Its \$10 million in trade with South Korea last year, however, was substantially larger than that with North Korea. [redacted]

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[France: The regime's tough new stance toward the students and its conciliatory gestures toward the right are aimed at rallying electoral support.

The government yesterday took control of the Sorbonne and drove out the student occupiers in an effort to demonstrate, prior to the parliamentary elections of 23 June, that the Gaullist regime represents stability in the midst of continuing unrest. Earlier, police reoccupied the Odeon, a theater which students had held for several weeks. An uneasy calm prevailed this morning after a night of student-police battles in the Latin Quarter.

The government's demonstrated willingness to use force if necessary to regain control in the universities could weaken the resolve of moderate students to continue to challenge the regime. In the past, when the government moved to assert its authority over the students, they usually responded with plans for immediate counteraction, usually a mass demonstration. Following the reoccupation of the Sorbonne, however, the major student union contented itself with branding the move a "manifest provocation" and announced no immediate plans for a counterattack. In a gesture of conciliation, the Education Ministry announced it would begin talks today with students and teachers on demands for university modernization.

In the second move of its two-pronged effort to rally the voters, the government pardoned 11 persons convicted of political crime against the state during the Algerian imbroglio and granted amnesty to 48 others already pardoned. Most prominent among those pardoned was Raoul Salan, one of the four former army generals who led a rebellion against De Gaulle in Algeria in 1961. The move was designed to win some portion of the over one million votes which extreme rightist Jean-Louis Tixier-Vignancour, who defended Salan in his 1962 trial, won in the 1965 presidential race against De Gaulle and four other candidates.]

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France - West Germany: The Franco-German experimental communications satellite project is in jeopardy.

A French official has stated that, as a result of increased worker salaries in France and the need for additional studies, the project--called Symphonie--will cost about 25 percent more than originally estimated. The revised estimate was presented to the Germans Friday.

Continued Franco-German interest in the project appears predicated on the assumption that it will be followed by a permanent communications satellite project. In France, funds for such a follow-on project may be absorbed by reforms made necessary by the current crisis. The entire enterprise may thus be in danger of cancellation.

Moreover, the follow-on project, as an intended part of a European regional communications satellite system, would require revision of the INTELSAT accords to permit regional subsystems. One of the tasks of the European Space Conference delegation scheduled to visit the US in early July will be to determine if the US now considers regional subsystems acceptable.

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